

Representative Dennis Kucinich (D-OH) today sent a letter to Representative Barney Frank, Chairman of the House Financial Services Committee, recommending that Congress inform the White House that it will not authorize the second \$350 billion tranche of the bailout funds to the Treasury Department. The Financial Services Committee is scheduled to hold a hearing tomorrow examining oversight of the implementation of the bailout and of government lending and insurance facilities.

Kucinich heads the Domestic Policy Subcommittee, which held a hearing last Friday at which Mr. Neel Kashkari, the Interim Assistant Secretary for Financial Stability, testified. Two days prior, Treasury Secretary Henry M. Paulson announced that the Troubled Asset Relief Program, a fund created by Congress to unfreeze credit markets and purchase troubled mortgage assets to prevent their foreclosure, would not be used to purchase mortgage assets.

“It was clear from Interim Assistant Secretary Kashkari’s testimony that, contrary to Congressional intent, the Treasury Department has not and does not intend to use TARP for foreclosure prevention. In addition to breaking with Congressional intent, Secretary Paulson’s policy reversal contradicts public assurances previously made by the Treasury Department and leaves the federal government without an adequate mechanism to stem the rising tide of home foreclosures. Because the Treasury Department refuses to spend the resources Congress made available for foreclosure prevention, I recommend that we inform the President that we will withhold the second installment of \$350 billion until a new administration takes office.” Kucinich writes.

The full text is below:

Documents and Links

- [Kucinich Letter to Chairman Frank](#)